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UNCLAS SECTION 01 OF 05 KATHMANDU 001670

SIPDIS

STATE FOR SA/INS AND DS/IP/NEA
STATE ALSO PLEASE PASS USAID/DCHA/OFDA
STATE ALSO PLEASE PASS PEACE CORPS HQ
STATE ALSO PLEASE PASS EU COLLECTIVE
USAID FOR ANE/AA GORDON WEST
MANILA FOR USAID/DCHA/OFDA
LONDON FOR POL/BELL
TREASURY FOR GENERAL COUNSEL/DAUFHAUSER AND DAS JZARATE
TREASURY ALSO FOR OFAC/RNEWCOMB AND TASK FORCE ON TERRORIST
FINANCING
JUSTICE FOR OFFICE OF THE DEPUTY ATTORNEY GENERAL/DLAUFMAN
NSC FOR DORMANDY
SECDEF FOR OSD/ISA ALVERSON

E.O. 12958: N/A

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SUBJECT: UPDATE ON NEPAL'S MAOIST INSURGENCY, AUGUST 14-
AUGUST 20, 2004

SUMMARY

[¶1.](#) The Maoists have imposed a virtual blockade of roads leading to and from the Kathmandu Valley since August 18. Traffic remains very light on the roads, no incidents have been reported and no Maoists have been spotted. Tourism-related organizations have raised serious concern over the Maoist imposed blockade. More than dozen industries have shut down indefinitely from August 17 following the threats from All Nepal Trade Union Federation (ANTUF), affiliated to the CPN (Maoist), and the August 16 bombing of the Soaltee Hotel. The Industrial Security Group (ISG) urged the Maoists to withdraw their threat to industry. The GON has kept security agencies on high alert to maintain law and order and to protect lives and property. The assassination of a journalist by the Maoists and threat against nine other journalists drew nationwide condemnation. Nepal and India started joint search operations along the India-Nepal border to prevent free movement of Maoist rebels. Maoists continue to abduct civilians. Security forces reportedly killed thirteen Maoists this week. Maoist attacks left six security personnel and eight civilians dead. End Summary.

MAOIST IMPOSE INDEFINITE BLOCKADE IN KATHMANDU VALLEY

[¶2.](#) The CPN (Maoist) Dhading-Nuwakot-Rasuwa Joint Revolutionary People's Council Nepal and Dhading-Nuwakot-Rasuwa Joint District Committee issued a press release on August 9 calling for an indefinite economic embargo in the Kathmandu Valley; it demanded that all vehicles stop entering or leaving the Valley from August 18. Since the 18th, traffic has been light - a few buses, trucks and light vehicles have been in operation on those routes, according to spokesperson Gopendra Bahadur Pandey of the Ministry of Home Affairs. The Maoists have demanded an impartial investigation of the killings of their comrades, information on those arrested by the security forces and their immediate release. Reportedly, the Maoists are gradually intensifying their activities in and around the capital to make their demands heard.

[¶3.](#) Fourteen tourism organizations raised serious concerns over the Maoist-imposed blockade, as the tourism sector has already been hard hit by the longstanding insurgency in the country.

BLOCKADE CONTINUES ON MAIN HIGHWAYS

[¶4.](#) The blockade continues on the main highways leading to the Kathmandu Valley. However, there have been no reports of any violence on the roads. According to the Thankot Police Post, which is the main entry point to the Valley, 13 buses, 17 trucks, three oil tankers, 136 light vehicles and 91 motorcycles passed Thankot from Kathmandu between the evening of August 19 and the morning of August 20. The Thankot Police Post also said that 42 buses, 22 trucks, four oil tankers, 117 light vehicles and 95 motorcycles entered the Valley within the same period. Similarly, according to Balaju Police Post, which is the main entry point to the Valley from Nuwakot District (to the north), three buses, four trucks, four light vehicles and 12 motorcycles entered the Valley on the morning of August 20, and at the same time, one bus, 12 light vehicles and nine motorcycles left the Valley for Nuwakot.

MAOISTS CONTINUE ATTACKS AGAINST GOVERNMENT FACILITIES

15. The insurgents detonated a powerful bomb near the police post in Bhaktapur on the morning of August 20. No casualties were reported. The Maoists also detonated a bomb in front of the Land Revenue Office at Dillibazaar in Kathmandu, and shot a policeman on duty at the same location the morning of August 20. The Maoist rebels set fire to a truck heading towards Butwal on the Mahendra Highway from the western district of Kapilbastu on August 19 for defying the Maoists' call for a day long shut down in the district to protest the killing of some of their cadres. On that same day, the rebels torched a vehicle of Narayani Irrigation Development Project in Rupandehi District, and a tractor in the central district of Dolakha.

MAOIST THREAT PROMPTS INDUSTRIES TO SHUT DOWN

16. More than dozen industries, including multinationals, have shut down indefinitely since August 17 following the threats from the ANTUF-Revolutionary. The Maoists accused those industries of exploiting their workers. The shutdown, despite government assurance of adequate security, has directly affected the livelihood of over 3,000 workers and their family members. Despite Maoist rhetoric on behalf of workers, the laborers have deplored the surprise indefinite closure of the industries, saying it would only worsen their lives. The Nepal Free Hotel Trade Union and Nepal Tourism and Hotel Employees' Association have called upon the ANTUF-R to withdraw the indefinite strike.

17. On August 14, the Industrial Security Group (ISG), representing the Embassies of the United States of America, the United Kingdom, France, Germany and India as well as binational chambers of commerce, urged the Maoists to retract their threats against the companies. The statement also said that the Maoist threats for interrupting the functioning of the companies would severely affect the confidence of foreign investors, and could negatively impact future investment in Nepal. The ISG issued another statement August 20 condemning the August 16 bomb attack on the Soaltee Hotel, which resulted in the closure of the hotel. The ISG urged that these businesses be allowed to conduct their operations without interruption.

GOVERNMENT TO KEEP SECURITY ON HIGH ALERT

18. The GON has directed all the security agencies, including the district and regional administrations, to be on high alert to maintain law and order and protect the lives and property of the people. The Home Ministry issued a press statement seeking the cooperation of civil society, political parties, businessmen, transport entrepreneurs, industrialists and media in its bid to maintain law and order in the country.

MAOISTS KILL JOURNALIST-CUM-HUMAN RIGHTS ACTIVIST

19. The Maoists assassinated Dekendra Raj Thapa, a journalist-cum-human rights activist, in the mid-western district of Dailekh on August 11. Thapa was a reporter for the state-owned Radio Nepal and also an advisor to the Human Rights and Peace Society (HURPES), a Nepali NGO. Murdered for allegedly "spying for the security forces" against the Maoists, Thapa's killing has drawn international condemnation. Ten organizations, including the Federation of Nepalese Journalists (FNJ) and human rights organizations, have denounced and condemned the rebels for murdering Thapa. Reporters Without Borders (RSF) also expressed shock and rage at the murder. As a result of the killing, RSF listed Prachanda, Chairman of the CPN (Maoist) party in their worldwide list of 37 "predators of press freedom," a list that also includes Nepal's King Gyanendra. Amnesty International has also strongly condemned the killing of Thapa, and has asked the Maoists to provide evidence of his spying and the process by which the "charges" against him were proven.

NEPAL, INDIA START JOINT SEARCH OPERATION ALONG BORDER

10. Nepalese and Indian security forces on August 19 started joint security operations along the Nepal-India border to prevent the free movement of Maoist rebels. The joint operations are tied to an information-sharing network between India's Special Services Bureau (SSB) and Nepal's Unified Command. According to local press reports, the joint operation will focus on ways to prevent arms smuggling into Nepal by the rebels. The focus areas include the border areas of Rupandehi, Kapilbastu and Nawalparasi districts in Nepal, and Maharajgunj, Siddarthanagar and Balrampur areas in the Indian state of Uttar Pradesh.

MAOISTS CONTINUE TO ABDUCT CIVILIANS

11. Maoists abducted one civilian in Jhapa District and five others from Terhathum District on August 17. The rebels also abducted 450 students from a school in Ramechhap District on August 16. The students were reportedly forced to participate in a Maoist function in an unidentified location. The insurgents have also kidnapped around six dozen students from several schools in Palpa District for "indoctrination" on August 13.

MAOISTS TARGET SON AFTER MURDERING FATHER

12. After the killing of 61-year-old man on August 15, the rebels on August 19 issued a death threat to his fifteen-year-old son, Indrajit Roka, in the western district of Baglung. The Maoists also warned others of dire consequences should they try to protect him. Indrajit had managed to escape the Maoists after he was forced to witness the brutal murder of his father.

DEATH TOLL CONTINUES TO RISE

13. Six security personnel reportedly died in Maoist-related violence this week:

-- Four security personnel were injured when Maoists hurled socket bombs at a security patrol in Palpa District on August 18.

-- An Assistant Sub-Inspector of Police sustained serious injuries after Maoists shot him in Sunsari District on August 17.

-- Three security personnel were injured when the Maoists triggered a blast targeting a police van in Chitwan District on August 15.

-- Maoist rebels shot dead a Royal Nepal Army (RNA) soldier in Makwanpur District on August 14.

-- A police constable was killed in a Maoist-laid ambush in the central district of Mahottari on August 14.

-- Maoists shot dead an RNA soldier in Dhankuta District on August 14.

-- Three security personnel died and one was injured in a clash with Maoist militants in Kanchanpur District on August 13.

-- Two security personnel were injured in a Maoist-laid ambush in the western district of Palpa on August 13.

14. Security forces reportedly killed thirteen Maoists this week:

-- Three Maoists were killed in Kanchanpur District on August 17.

-- On August 16, four Maoist rebels were killed in an encounter with the security forces in Siraha District, and one in Kaski District.

-- One Maoist died at the hands of angry villagers in Morang District on August 15.

-- On August 13, two rebels were shot dead in Bajura District, and one in Solukhumbu District.

-- Locals spotted the body of a Maoist in Panchthar District on August 13.

15. According to local media reports, Maoists claimed the lives of seven civilians this week:

-- The chief of the Nepal Red Cross Society, Ilam chapter, was killed by the Maoists in Ilam District on August 18.

-- A twelve-year-old boy died and three others were injured when Maoists detonated a socket bomb in Chitwan District on August 15.

-- On August 15, one civilian was killed and two others were injured in Morang District.

-- A civilian was killed in Dang District on August 14.

-- One civilian was killed in a Maoist-planted bomb explosion in Mahottari District on August 14.

-- Maoist shot dead one civilian in Sarlahi and another in Makwanpur District on August 13.